

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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MAR 25 1996

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In The Matter of

BELL OPERATING COMPANY
PROVISION OF OUT-OF-REGION
INTERSTATE, INTEREXCHANGE
SERVICES

CC Docket No. 96-21

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REPLY COMMENTS OF THE
TELECOMMUNICATIONS RESELLERS ASSOCIATION

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The Telecommunications Resellers Association ("TRA"), by its attorneys and pursuant to Section 1.415 of the Commission's Rules, 47 C.F.R. § 1.415, hereby replies to comments submitted by other parties in response to the Commission's Notice of Proposed Rulemaking, FCC 96-59 (released February 14, 1996), in the captioned proceeding (the "Notice").

I.

INTRODUCTION

The comments filed in response to the proposals announced by the Commission in the Notice predictably fall into two clearly defined groups -- *i.e.*, the Regional Bell Operating Companies (the "RBOCs")¹ and all other commenters (the "Non-RBOC Commenters").² All of

¹ Ameritech, Bell Atlantic Telephone Companies and Bell Atlantic Communications, Inc. ("Bell Atlantic"), BellSouth Corporation ("BellSouth"), NYNEX Corporation ("NYNEX"), Pacific Telesis Group ("PacTel"), SBC Communications Inc. ("SBC") and U S West, Inc. ("U S West").

² AT&T Corp. ("AT&T"), Association for Local Telecommunications Services ("ALTS"), Cable & Wireless, Inc. ("C&W"), Competitive Telecommunications Association ("CompTel"), Excel Telecommunications, Inc. ("Excel"), MCI Telecommunications Corporation ("MCI"), Public Utilities Commission of Ohio ("Ohio PUC"), Sprint Communications Company, L.P. ("Sprint"), UTC, The Telecommunications Association ("UTC") and Vanguard Cellular Systems, Inc. ("Vanguard").

the Non-RBOC Commenters agree with TRA that the RBOCs should be declared "non-dominant" in their provision of interstate, interexchange telecommunications services originating outside of their local exchange service areas ("out-of-region" long distance services"), if at all,³ only to the extent that such services are provided through structurally-separate affiliates which satisfy the separations requirements applied by the Commission in the Competitive Carrier proceeding⁴ to independent telephone companies ("ITCs").⁵ Moreover, the large majority of Non-RBOC Commenters further agree with TRA that in the event the Commission elects to afford non-dominant status to the RBOC out-of-region long distance services affiliates, the Competitive Carrier separations requirements should be strengthened to ensure meaningful separation between the RBOCs and such out-of-region long distance services affiliates.⁶ As set forth in Section II(B) hereof, TRA endorses a number of the enhanced separations requirements suggested by other Non-RBOC Commenters.

3 It is TRA's position that neither the RBOCs nor their out-of-region long distance services affiliates should be declared non-dominant unless and until the RBOCs' local exchange/exchange access "bottlenecks" have been dismantled and competitive local telephone service offerings are generally available.

4 Policy and Rules Concerning Rates for Competitive Common Carrier Services and Facilities Therefor, First Report and Order, 85 F.C.C.2d 1, ¶ 54 (1980); Second Report and Order, 91 F.C.C.2d 187 (1982), recon. denied, 93 F.C.C.2d 54 (1983); Third Report and Order, 48 Fed. Reg. 46,791 (1983); Fourth Report and Order, 95 F.C.C.2d 554 (1983), rev'd and remanded sub nom., American Tel. & Tel. v. FCC, 978 F.2d 7272 (D.C.Cir. 1992), cert. denied, 113 S.Ct. 3020 (1993); Fifth Report and Order, 98 F.C.C.2d 1191 (1984); Sixth Report and Order, 99 F.C.C.2d 1020 (1985), rev'd and remanded sub nom., MCI Telecommunications Corp. v. FCC, 765 F.2d 1186 (D.C.Cir. 1985).

5 See, e.g., TRA Comments at 6-18; AT&T Comments at 3-4; ALTS Comments at 2-3; CompTel Comments at 2-7; Excel Comments at 2-6; MCI Comments at 5-10.

6 See, e.g., TRA Comments at 18-22; AT&T Comments at 7-8; ALTS Comments at 4-6; C&W Comments at 2-5; CompTel Comments at 7-14; Excel Comments at 6-7; MCI Comments at 10-23; Ohio PUC Comments at 3-8; Sprint Comments at 2-5; UTC Comments at 2-5.

The majority of the RBOCs, of course, take a very different view.⁷ Essentially, the RBOCs offer three objections to the Notice's proposal to classify as non-dominant only those RBOC out-of-region long distance services the RBOCs provide through structurally-separate affiliates which satisfy the Commission's Competitive Carrier separations requirements. First, the RBOCs assert that under the criteria generally applied by the Commission in distinguishing between dominant and non-dominant carriers, RBOC provision of out-of-region long distance services must be afforded non-dominant treatment irrespective of the vehicle through which such services are provided. After all, the RBOCs opine, they will be entering with no market share a highly competitive interstate, interexchange telecommunications services market already populated with hundreds of providers including the likes of AT&T, MCI, Sprint and WorldCom, Inc. ("WorldCom").⁸ Second, the RBOCs contend that there simply is no need to classify RBOC provision of out-of-region long distance services as dominant, blithely asserting that they will have neither the incentive nor the ability to utilize their local exchange/exchange access operations to disadvantage rival providers of interstate, interexchange telecommunications services.⁹ And third, the RBOCs claim that the Notice's proposal to limit non-dominant classification to structurally-separate RBOC out-of-region long distance affiliates is inconsistent

⁷ NYNEX and PacTel, however, take a somewhat more reasoned view than their sister companies. Both find acceptable the Notice's proposal to classify as nondominant only such RBOC out-of-region long distance services as are provided through a structurally-separate affiliate. Both are also willing to accept imposition of the Competitive Carrier separations requirements. Of the two, however, only PacTel supports the Notice's proposal to treat as nonregulated for accounting purposes the out-of-region long distance services provided through such a structurally-separate affiliate.

⁸ See, e.g., Ameritech Comments at 2-5; Bell Atlantic Comments at 2-3; BellSouth Comments at 5-11; U S West at 3-4.

⁹ See, e.g., Ameritech Comments at 5-7; Bell Atlantic Comments at 5-9; BellSouth Comments at 11-18; SBC Comments at 6-8.

with the Telecommunications Act of 1996,¹⁰ particularly the statute's underlying pro-competitive theme.¹¹

TRA disagrees. As TRA emphasized in its Comments, the local exchange remains the monopoly preserve of the RBOCs and other local exchange carriers ("LECs"). "The development of competition in local services is roughly a dozen years behind the development of competition in long distance;"¹² indeed, "the LECs continue to exercise a substantial degree of market power in virtually every part of the country, and continue to control bottleneck facilities."¹³ And as TRA explained, this "bottleneck" control provides the RBOCs with the ability to act anticompetitively to disadvantage competing interexchange carriers ("IXCs"), even if the RBOCs were to act through structurally-separate affiliates and were to provide only out-of-region long distance services. Moreover, as TRA stressed, it matters not whether the anticompetitive conduct takes the form of discriminatory access or other strategic price or service manipulation or misallocation of costs between competitive and monopoly activities or other cross-subsidization, the result will be the same -- competition in the interexchange telecommunications services market will be adversely impacted -- and it is the smaller carriers that comprise the rank and file of TRA's membership that will be most directly impacted and most seriously harmed.

¹⁰ Pub. L. No. 104-104, 110 Stat. 56, § 253 (1996).

¹¹ See, e.g., Ameritech Comments at 7-9; Bell Atlantic Comments at 4-5; BellSouth Comments at 1-5; SBC Comments at 4-5; U S West at 2-3.

¹² Common Carrier Bureau, "Common Carrier Competition" (Spring, 1995) ("Spring Competition Report") at 5.

¹³ Price Cap Performance Review for Local Exchange Carriers (First Report and Order), 10 FCC Rcd. 8961 (1995) at 9122, ¶ 368; *id.* at 9143, ¶ 418 ("[t]he record in this proceeding does not support a finding that competition for LEC services is sufficiently widespread to constrain the pricing practices of LECs for new services."); Notice at ¶ 9.

II. **ARGUMENT**

A. The RBOCs Have Failed To Show Why Non-dominant Treatment, If Afforded At All, Should Not Be Limited To Structurally-Separate Out-Of-Region Long Distance Services Affiliates

1. The RBOCs Misconstrue The Commission's Dominant/Non-dominant Dichotomy

As noted above, the RBOCs contend that applying the Commission's criteria for dominance, they simply cannot be found to be dominant carriers in their provision of out-of-region long distance services, even if such services were to be provided on a structurally-unseparated basis. As noted above, the RBOCs argue that they will be entering the interstate, interexchange telecommunications services market with no market share and that they will be competing against a handful of large, well-entrenched providers, as well as hundreds of smaller facilities-based and resale carriers. As new entrants in such a well-populated market, how, they ask, can they possibly be deemed to be dominant carriers?

The answer, as TRA and others have pointed out in their comments,¹⁴ is that the RBOCs continue to exercise near-monopoly control over local exchange "bottlenecks." The Commission acknowledged the critical importance of this factor in its First Report and Order in its Competitive Carrier proceeding when it remarked that "[a]n important structural characteristic of the marketplace that confers market power upon a firm is the control of bottleneck facilities;"¹⁵ indeed, as TRA pointed out in its Comments, the Commission declared that it would "treat

¹⁴ See, e.g., TRA Comments at 6-11; MCI Comments at 5-10, CompTel Comments at 2-7; Excel Comments at 2-6.

¹⁵ 85 F.C.C.2d 1 at ¶ 62.

control of bottleneck facilities as prima facia evidence of market power."¹⁶ Moreover, the Commission made clear in its Fifth Report and Order that "[i]nterstate services provided directly by exchange telephone companies (not through affiliates) are regulated as dominant."¹⁷ Indeed, the Commission noted therein that if and when the RBOCs were permitted to provide interstate, interexchange telecommunications services, they would be regulated as dominant in their provision of such services until such time as the Commission could determine "what degree of separation, if any, would be necessary for the BOCs and their affiliates to qualify for nondominant regulation."¹⁸ In so stating, the Commission certainly was aware that the RBOCs would likely be entering the interstate, interexchange telecommunications services market with zero market share and that they would be competing against numerous and formidable rivals. Obviously, then, these factors alone are not determinative; indeed, they are not even the key considerations.

The central analysis has been, and should remain, the extent to which an LEC can leverage its near-monopoly control of local exchange "bottlenecks" to disadvantage competitors in the interstate, interexchange telecommunications services market. The Commission was

16 *Id.* at ¶ 58.

17 98 F.C.C.2d 1191 at ¶ 9. The RBOCs argue that the separations requirements applied to ITCs should not be automatically extended to the RBOCs, primarily because of the passage of time since their adoption. While the telecommunications world has changed dramatically since 1984, the basis for applying separations requirements to LECs engaged in the provision of interstate, interexchange telecommunications services has not. So long as LECs retain near monopoly control over local exchange/exchange access "bottlenecks" they retain the incentive and the ability to leverage that control to disadvantage rival long distance telephone service providers. And this potential is far greater with respect to the RBOCs because of their substantially larger size and the geographically-concentrated nature of their local service areas. As TRA and other Non-RBOC Commenters have argued, stronger separations requirements will be necessary to ensure meaningful separation between the RBOCs and their out-of-region long distance services affiliates.

18 *Id.* at ¶ 9 fn 23.

obviously aware of the potential for such abuse of market power when it declined in its Fifth Report and Order to provide an immediate, automatic grant of non-dominant status to the RBOCs upon their initial provision of long distance services. Clearly, limiting RBOC market entry to out-of-region service reduces the potential for damage, but as TRA and others demonstrated in their comments, it by no means eliminates the threat. All of which leads to the RBOCs' second point.

2. RBOC Control Of Local Exchange/Exchange Access 'Bottlenecks' Can Be Leveraged To Disadvantage Competitors Of RBOC Affiliates Providing Out-Of-Region Long Distance Services

The RBOCs argue vigorously that a separate affiliate requirement for their provision of out-of-region long distance services is unnecessary. As noted earlier, the RBOCs essentially contend that given price cap regulation, they no longer have any incentive to misallocate costs or assets, or otherwise engage in cross-subsidization, between their local exchange/exchange access operations and their new interstate, interexchange telecommunications activities. Moreover, they assert, they have no ability to strategically manipulate rates or services or otherwise to discriminate against interexchange competitors because they are limited in their provision of interstate, interexchange telecommunications services to out-of-region and incidental long distance services. Once again, the RBOCs are incorrect in their assessment of the compelling need for structural safeguards.¹⁹

¹⁹ It is noteworthy that the RBOCs have been making similar claims regarding their lack of incentives and ability to impede competition in the interstate, interexchange telecommunications market by leveraging their local exchange/exchange access "bottlenecks." *See, e.g., United States v. Western Electric Co.*, 673 F. Supp 525, 567 (D.D.C. 1987), aff'd in part, rev'd in part, 900 F.2d 283 (D.C.Cir. 1990), cert denied sub nom. MCI Communications v. United States, 498 U.S. 911 (1991) ("Almost before the ink was dry on the decree, the Regional Companies began to seek removal of its restrictions . . . First,

[footnote continued on next page]

First, so long as the RBOCs are subject to any kind of "sharing requirement," they obviously have the same incentives they have always had to misallocate costs from, or otherwise engage in cross-subsidization between, price cap-regulated to non-price cap-regulated activities. Shifting costs from the local exchange/exchange access operations to long distance activities could reduce, or even eliminate, the need to share excessive earnings with ratepayers. Even in the absence of such a sharing requirement, however, incentives to shift costs exist. Inflated earnings associated with monopoly activities invite enhanced regulatory scrutiny and oversight which could dampen future profits. By way of example, excessive earnings could prompt proposals to increase the price cap productivity offset or "X Factor" such as those which have been raised in the Commission's pending CC Docket No. 94-1 review of LEC price cap performance. Cross-subsidizing to avoid a higher price cap productivity offset is certainly a profit-maximizing strategy.

Compelling evidence of price cap regulation's failure to eliminate all incentives to engage in cross-subsidization is the RBOCs' continued reliance upon and use of such tactics. As TRA noted in its comments, and as MCI described in more detail in its comments,²⁰ regulatory

[footnote continued from previous page]

it is argued that the local monopoly bottlenecks have been either wiped out or substantially eroded . . . Third, suggestions have been made that, unlike at the time of the entry of the decree, federal regulation can now prevent anticompetitive abuses."). The RBOCs have nonetheless found the motivation and discovered the means by which to act anticompetitively. *See, e.g., United States v. Western Electric Co.*, 767 F.Supp. 308 (1991) ("Where the Regional Companies have been permitted to engage in activities because it appeared to the Court that the likelihood of anticompetitive conduct was small, they have nevertheless already managed to engage in such conduct"); *see also People of the State of California v. FCC*, No. 92-70083 (9th Cir. 1994) ("After conducting an investigation into the provision of Memorycall, the Georgia PSC concluded that BellSouth had the opportunity and incentive to behave anticompetitively given its monopoly over the local exchange and had in fact discriminated against competitor enhanced service providers by giving them inferior access to the local network.").

²⁰ MCI Comments at 12-15.

audits of RBOC and other LEC affiliate transactions continue to uncover misallocations of costs and assets between monopoly and other operations.²¹ And the potential for future abuses certainly would be exacerbated if the RBOCs were permitted to utilize common switching, transmission, database and other facilities in providing local exchange, exchange access, intraLATA toll and interstate, interexchange telecommunications services. As described by TRA and other Non-RBOC Commenters, the vehicles for cost/asset misallocation and other forms of cross-subsidization remain numerous.²²

Neither does limiting RBOC provision of interstate, interexchange telecommunications services to out-of-region long distance services serve to eliminate opportunities for the RBOCs to disadvantage rival IXC's through strategic manipulation of access rates and services within their respective local exchange/exchange access service areas. As TRA and other Non-RBOC Commenters explained in their comments, the interstate, interexchange telecommunications services market is national in scope and hence the RBOCs can use their control of "bottleneck" facilities within their respective local exchange/exchange access service areas to disadvantage rival long distance service providers with whom they are competing in the rest of the country.²³ Certainly, an RBOC could damage a competing IXC's reputation in the national market with national customers by impairing the IXC's service quality within the RBOC's service area.²⁴ An RBOC could further use its position in the local services market to prefer or punish national customers to encourage them to take out-of-region long distance

21 TRA Comments at 20 fn 37.

22 See, e.g., TRA Comments at 14-16; MCI Comments at 10-23; CompTel Comments at 3-7.

23 See, e.g. TRA Comments at 12; MCI Comments at 7; CompTel Comments at 4.

24 See, e.g. TRA Comments at 12-14; MCI Comments at 7-8; CompTel Comments at 4-5.

services from it through, for example, preferential pricing, provisioning or service options.²⁵ Moreover, an RBOC could discriminate in favor of its out-of-region long distance services affiliate in the provision of terminating access or database services or in access to information.²⁶ And these efforts could be rendered far more effective by coordinated activities by multiple RBOCs.

Irrespective of any in-region/out-of-region bifurcation or structural safeguards, the RBOCs will continue to be able to leverage their near-monopoly control of local exchange/exchange access "bottlenecks" to disadvantage rival providers of interstate, interexchange telecommunications services until such time as meaningful local exchange/exchange access competition emerges. For the time being, customers and rival IXC's generally have little, if any, choice but to take local exchange/exchange access services from the RBOCs within their respective service areas, which translates into opportunities for anticompetitive abuse by the RBOCs.

3. Conditioning Non-dominant Regulatory Treatment On The Use Of Structurally-Separate Affiliates To Provide Out-Of-Region Long Distance Services Is Not Inconsistent With The Telecommunications Act of 1996

The RBOC, as noted earlier, allege that the Notice's proposal to accord non-dominant regulatory status only to RBOC out-of-region long distance services that are provided through a structurally-separate affiliate is inconsistent with the Telecommunications Act of 1996 ("96 Act"). The RBOCs argue that such a limitation effectively imposes on them precisely the separate subsidiary requirements the '96 Act reserved to the provision of in-region long distance

²⁵ See, e.g., CompTel Comments at 4-5.

²⁶ See, e.g., TRA Comments at 13; MCI Comments at 8; CompTel Comments at 4-5.

services. Moreover, the RBOCs contend that the separation requirements proposed in the Notice undermine the competitive thrust of the new legislation. The RBOCs are wrong again.

The '96 Act did not deprive the Commission of its authority, or absolve it of its responsibility, to regulate interstate telecommunications. Indeed, Section 261 of the '96 Act expressly states that "[n]othing in this part shall be construed to prohibit the Commission from enforcing regulations prescribed prior to the date of enactment of the '96 Act in fulfilling the requirements of this part, to the extent that such regulations are not inconsistent with the provisions of this part."²⁷ And conditioning non-dominant regulatory treatment on the provision of out-of-region long distance services by a structurally-separate affiliate is not inconsistent with the requirements of the '96 Act. While the '96 Act arguably limits structural safeguards to in-region long distance services, it is far too great a reach to equate the grant or denial of non-dominant regulatory status with the imposition of structural separation requirements. Under the Notice's approach, the RBOCs would be afforded a choice between two alternatives, one of which would allow them to provide out-of-region long distance services on an unseparated basis. Only if the RBOCs elected to avail themselves of the relaxed regulation attendant to non-dominant regulatory status would they have to provide out-of-region long distance services on a structurally-separate basis.

RBOC claims that they would be unable to compete effectively in the interstate, interexchange telecommunications market if they are not afforded non-dominant status cannot be lent any credence. AT&T managed to compete quite well as a dominant carrier for many years, maintaining during that period a market share larger than all of its competitors combined. Certainly, the RBOCs with the competitive advantages they bring to the market could be

²⁷ 47 U.S.C. § 261.

expected to compete no less effectively even if treated as dominant in their provision of out-of-region long distance services. After all, even if the RBOCs are entering the market without appreciable market share, they certainly are not typical "start-up" providers of interstate, interexchange telecommunications services.

Moreover, as the RBOCs acknowledge, the '96 Act was intended to preserve, promote and facilitate the growth of competition in telecommunications product and service markets.²⁸ To this end, the Congress sought to open monopoly markets to competitive entrants, and to enhance competition in markets already subject to competition, by eliminating entry barriers and reducing unnecessary or outmoded regulation. The '96 Act does not, however, constitute a license to extend or leverage existing market power. Obviously, the Congress did not intend to afford the RBOCs an opportunity to undermine competition in the interstate, interexchange telecommunications market during the lag in time between the removal of legal and practical barriers to local exchange/exchange access competition and the emergence of such competition. Nor did the Congress intend to abolish all regulation; indeed, in key respects, the '96 Act is aggressively regulatory in the short term, with regulatory relief anticipated thereafter.

As TRA and many of the Non-RBOC Commenters argued in their comments, the Notice, if anything, goes too far in granting regulatory relief in the short term. MCI recommends that the Commission mandate strict structural separation for RBOC provision of out-of-region long distance services.²⁹ TRA, as noted previously, argued that RBOC out-of-region long distance services affiliates should be regulated as dominant until such time as meaningful local

²⁸ H.R. Conf. Rep. No. 458, 104th Cong., 2d Sess. 1 (1996).

²⁹ MCI Comments at 1-2.

exchange/exchange access competition emerges.³⁰ And other Non-RBOC Commenters urge the Commission to strengthen the separations requirements proposed in the Notice.³¹

B. The Applicable Separation Requirements Should Be Strengthened If RBOC Out-Of-Region Long Distance Services Affiliates Are To Be Classified As Non-dominant For Federal Regulatory Purposes

Although TRA recommended in its Comments that the Commission classify RBOC affiliates offering out-of-region long distance services as dominant until such time as local exchange/exchange access bottlenecks have been dismantled, it nonetheless supported the Notice's proposal to require the RBOCs and their out-of-region long distance services affiliates to (i) maintain separate books of account and (ii) refrain from joint ownership of transmission and/or switching facilities, and (iii) to provide and obtain exchange and exchange access services to and from one another at tariffed rates and under tariffed terms and conditions. TRA further endorsed the Notice's proposal to treat the RBOC out-of-region long distance services affiliates as "non-regulated affiliates" under the Commission's joint cost rules³² and affiliate transaction rules³³ for exchange carrier accounting purposes. TRA, however, urged the Commission to strengthen its Competitive Carrier separation requirements to ensure a meaningful degree of separation between the RBOCs and their out-of-region long distance services affiliates. Specifically, TRA recommended that the Commission (i) require separation of the credit underlying the out-of-region long distance services affiliate from that which supports the RBOC, prohibiting in so

³⁰ TRA Comments at 2.

³¹ See, e.g., AT&T Comments at 7-8; C&W Comments at 2-5; CompTel Comments at 7-14; Ohio PUC Comments at 4-8; Sprint Comments at 2-5.

³² 47 C.F.R. §§ 64.901-904; Separation of Costs of Regulated Telephone Service from Costs of Nonregulated Activities, 2 FCC Rcd. 1298 (1987).

³³ 47 C.F.R. §§ 32.27.

doing credit arrangements which would allow recourse to the assets of the RBOC in association with funding provided to the out-of-region long distance affiliate; (ii) prohibit the sharing of office space and personnel; and (iii) prohibit the sharing of confidential customer data.

TRA endorses several additional separations requirements suggested by other Non-RBOC Commenters. TRA agrees with AT&T, ALTS, CompTel and Excel that strict limitations should be put on joint marketing (including bundling) of local exchange/exchange access services and out-of-region long distance services.³⁴ TRA further agrees with C&W and CompTel that the limitations imposed on the joint ownership and/or sharing of transmission and switching facilities should be extended to databases and other facilities used for call routing/verification purposes.³⁵ TRA also agrees with C&W, CompTel, Excel, the Ohio PUC and Sprint that the requirement that RBOC out-of-region long distance services affiliates obtain exchange/exchange access services under tariff should be expanded to provide that all transactions between such affiliates and their respective RBOCs should be "arm's length" arrangements which are made available to competitors on the same terms.³⁶ Finally, TRA joins AT&T, ALTS, CompTel and Vanguard in urging careful scrutiny of cooperative RBOC arrangements which could involve coordination in the marketing/provision of local exchange/exchange access and out-of-region long distances.³⁷

As TRA noted in its Comments, the extent of the structural separation mandated by the Commission is critical to the successful prevention of anticompetitive conduct by the RBOCs

³⁴ AT&T Comments at 7-8; ALTS Comments at 4-5; C&W Comments at 3-4; CompTel Comments at 9-10; Excel Comments at 6-7.

³⁵ C&W Comments at 4-5; CompTel Comments at 7-11.

³⁶ C&W Comments at 4; CompTel Comments at 10-11; Excel Comments at 6-7; Ohio PUC Comments at 5-6; Sprint Comments at 3-4.

³⁷ AT&T Comments at 7-8; ALTS Comments at 5; CompTel Comments at 12-13; Vanguard Comments at 4-6.

in the interstate, interexchange telecommunications services market. TRA, therefore, urges the Commission to include in those safeguards the elements necessary to make them viable.


III.

CONCLUSION

By reason of the foregoing and the arguments set forth in its Comments, the Telecommunications Resellers Association urges the Commission to structure the regulatory regime that will govern the RBOCs' provision of out-of-region long distance services in a manner consistent with the recommendations made by TRA herein and in its Comments.

Respectfully submitted,

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